



Committee on Transportation and Infrastructure

U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Peter A. DeFazio
Ranking Member

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

COMMITTEE RESOLUTION

LEASE PENSION BENEFIT GUARANTY CORPORATION WASHINGTON, DC PDC-10-WA17

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a lease of up to 431,800 rentable square feet of space, including 9 official parking spaces, for the Pension Benefit Guaranty Corporation currently located at 1200 K Street, 1225 I Street, and 1275 K Street, NW in Washington, D.C. at a proposed total annual cost of \$21,590,000 for a lease term of up to 15 years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 199 square feet or less per person, except that, if the Administrator determines that the overall utilization rate cannot be achieved, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 199 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **September 14, 2016**

A handwritten signature in dark ink, appearing to read "Bill Shuster", written over a horizontal line.

Bill Shuster, M.C.
Chairman

JAMES M. INHOFE, OKLAHOMA
SHELLEY MOORE CAPITO, WEST VIRGINIA
JOHN BOOZMAN, ARKANSAS
ROGER WICKER, MISSISSIPPI
DEB FISCHER, NEBRASKA
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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RICHARD M. HUSSELL, MAJORITY STAFF DIRECTOR
GABRIELLE BATKIN, MINORITY STAFF DIRECTOR

115th Congress

1st Session

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

COMMITTEE RESOLUTION

LEASE

PENSION BENEFIT GUARANTY CORPORATION

WASHINGTON, DC

PDC-10-WA17

RESOLVED BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS OF THE UNITED STATES SENATE

that pursuant to title 40 U.S.C. § 3307, a prospectus providing for a lease of approximately 431,800 rentable square feet of space, including approximately 9 official parking spaces, for the Pension Benefit Guaranty Corporation, currently located in three leases at 1200 K Street, 1225 I Street, and 1275 K Street, Washington DC, at a maximum proposed rental rate of \$50 per rentable square foot, at a proposed total annual cost of \$21,590,000 for a lease term of up to 15 years, a description of which is attached hereto and by reference made part of this resolution, is approved.

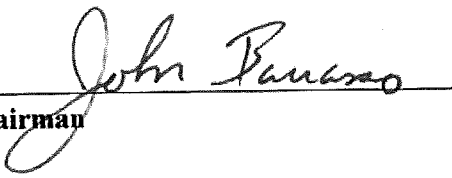
Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to execution of the new lease.

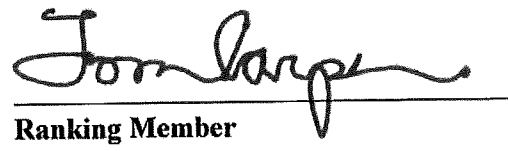
Provided, that to the maximum extent practicable, the Administrator of General Services shall require that the procurement include energy efficiency requirements as would be required for the construction of a federal building.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, *except that*, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Environment and Public Works of the United States Senate prior to exercising any lease authority provided in this resolution.

Provided further, that the Administrator shall provide to the Chairman or Ranking Member of the Committee on Environment and Public Works of the Senate, in a timely manner, requested documents and information regarding this prospectus and resulting contractual materials, without redaction other than redactions to exclude business confidential, proprietary, and/or procurement sensitive information.

Provided further, that the Administrator shall not delegate to any other agency the authority granted by this resolution.


Chairman


Ranking Member

Adopted: November 29, 2017

**PROSPECTUS - LEASE
PENSION BENEFIT GUARANTY CORPORATION
WASHINGTON, DC**

Prospectus Number: PDC-10-WA17

Executive Summary

The General Services Administration (GSA) proposes a lease for approximately 431,800 rentable square feet (RSF) of space for the Pension Benefit Guaranty Corporation (PBGC), currently located in three leases at 1200 K Street, 1225 I Street, and 1275 K Street in Washington, DC.

The lease will provide continued housing for PBGC and will improve PBGC's office and overall utilization rate from 125 to 111 usable square feet (USF) per person, and 216 to 199 USF per person, respectively, while housing current personnel in 35,360 RSF less than the total of its current occupancies.

Description

Occupant:	Pension Benefit Guaranty Corporation
Current Rentable Square Feet (RSF)	467,160 (Current RSF USF 1.20)
Estimated Maximum RSF:	431,800 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	35,360 (Reduction)
Current Usable Square Feet/Person:	216
Estimated Usable Square Feet/Person:	199
Proposed Maximum Lease Term:	15 Years
Expiration Dates of Current Leases:	12/10/18
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	9
Scoring:	Operating lease
Estimated Rental Rate ¹ :	\$50.00 / RSF
Estimated Total Annual Cost ² :	\$21,590,000
Current Total Annual Cost:	\$25,210,054 (Leases effective 12/11/2008, and 10/01/2014)

¹ This estimate is for fiscal year 2018 and may be escalated by 1.95 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

² New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

**PROSPECTUS – LEASE
PENSION BENEFIT GUARANTY CORPORATION
WASHINGTON, DC**

Prospectus Number: PDC-10-WA17

Background

The PBGC mission is to protect the retirement incomes of more than 40 million American workers in more than 26,000 private-sector defined benefit pension plans. PBGC was created by the Employee Retirement Income Security Act (ERISA) of 1974 to encourage the continuation and maintenance of private-sector defined benefit pension plans, provide timely and uninterrupted payment of pension benefits, and keep pension insurance premiums at a minimum.

Justification

PBGC maintains three headquarter leases located at 1200 K Street NW, 1275 K Street NW, and 1225 I Street NW, in Washington, DC. These leases are coterminous, expiring December 2018. The PBGC has a continuing need for headquarters office and support space to fulfill its mission. Consolidating the three existing leases will streamline operations and improve PBGC's footprint by 35,360 RSF. Without this reduction, the status-quo cost of continued occupancy would be \$23,358,000.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

**PROSPECTUS - LEASE
PENSION BENEFIT GUARANTY CORPORATION
WASHINGTON, DC**

Prospectus Number: PDC-10-WA17

Certification of Need

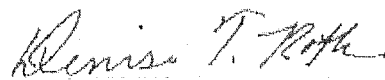
The proposed lease is the best solution to meet a validated Government need.

Submitted at Washington, DC, on June 9, 2016

Recommended:


Commissioner, Public Buildings Service

Approved:


Administrator, General Services Administration

December 2015

**Housing Plan
Pension Benefit Guaranty Corporation**

**PDC-10-WA17
Washington DC**

Leased Locations	CURRENT					ESTIMATED/PROPOSED				
	Personnel		Usable Square Feet (USF) ¹			Personnel		Usable Square Feet (USF)		
	Office	Total	Office	Storage	Special	Office	Total	Office	Storage	Special
1200 K St., NW	1,383	1,383	240,286	9,911	69,984		320,181			
1225 I St., NW	47	47	6,838	634	2,600		10,166			
1275 K St., NW	374	374	41,999	1,080	14,865		58,692			
Estimated/Proposed Lease						1,804		1,804	14,461	87,651
Total		1,804	289,123	11,625	87,449	1,804	389,039	1,804	14,461	87,651

Office Utilization Rate (UR) ²		
Rate	Current	Proposed
	125	111

UR=average amount of office space per person
 Current UR excludes 63,607 usf of office support space
 Proposed UR excludes 56,699 usf of office support space

Overall UR ³		
Rate	Current	Proposed
	216	199

R/U Factor ⁴			
	Total USF	RSF/USF	RSF
Current	389,039	1.20	467,160
Estimated/Proposed	359,833	1.20	431,800

NOTES:

¹USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.

²Calculation excludes Judiciary, Congress and agencies with less than 10 people

³USF/Person = housing plan total USF divided by total personnel.

⁴R/U Factor = Max RSF divided by total USF

Special Space		USF
Conference and Training		50,186
Security Lobby		2,335
Cafe		7,824
Library/High Density File Room		3,424
Specialty Rooms		2,012
Mail Room		870
Open Work Areas		512
Copy Room		6,912
Back-up Generator		1,834
IT/Telecom		8,318
OIG Server Room		352
Phone Booth		3,072
Total		87,651